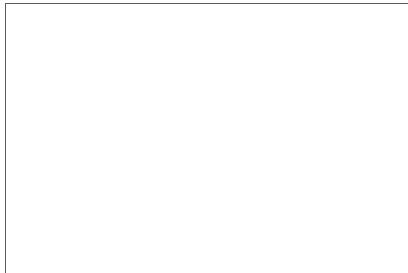


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9 January 1975

MEMORANDUM FOR THE RECORD

1. On 8 January 1975 I was invited to attend a meeting in the office of the AD/F to discuss the subject of PRA. Attending the meeting were the following OF personnel:



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2. O/F considers mandatory the automation of PRA accounts effective 1 July 1975 in concert with implementation of GAS (General Accounting System). During the past nine months O/F has been discussing with O/L (PPS) and with OJCS the feasibility of having O/L's ICS (inventory control system) produce these accounting data. After a thorough review of the O/F requirements vis-a-vis the ICS, it became apparent, as a result of joint O/F, O/L, and OJCS meetings, that the information required for automating PRA controls, as defined by O/F, is not available either from the current or foreseeable phases of the ICS. Accommodation of O/F's information requirements would require a major change in concept of the ICS.

3. O/F is now considering the development of a "stand alone" O/F computer system to produce the automated PRA control using information now produced by ICS such as issues. To meet its target date of 1 July, O/F must now make a commitment of its manpower toward development of the system.

4. In recognition of the fact that one of the options presently under consideration by the PPA/PRA Study Working Group is elimination of the PPA/PRA system, which would obviate the need for development of the stand alone PRA control, [redacted] asked of the undersigned the target date for recommendation by the Working Group for selection and recommendation of the option for funding control of property. [redacted] was advised that the group is targeting for approval of its yet undefined recommendation on or about 1 June 1975. This date has been selected based on timing for the next DCI program review which is scheduled on or about 1 July 1975. O/Compt plans to report to the DCI at that time on the results of the PPA/PRA study.

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5. [] was advised that the PPA/PRA Study Working Group members are now working on specific tasks to develop design procedures under the direct funding concept for purpose of enabling a comparative procedural analysis with the current system and with the modified PPA/PRA option. He was also told that we were getting special statistical reports from OJCS on the inventory status and activity during 1974. Completion of these tasks and production of the statistics is targeted for 31 January. In response to question by [], the undersigned stated that the 31 January target date is not the target date for option selection and recommendation by the group but rather the date when the basic information would be accumulated for comparative analysis, determination if additional information is required, and debate on relative merits of the systems.

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6. [] stated that the timetable of the Working Group is incompatible with his need for an immediate decision on option selection. If the PPA/PRA system, as presently constituted or under the modified PPA/PRA option, is to continue, he must now initiate action and assign personnel for the development of the stand alone system. If the PPA/PRA and modified PPA/PRA options are rejected in favor of direct funding, then he will not have to commit manpower to development of a new system.

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7. In response to a comment questioning the need for design procedures before selection and recommendation for approval, the undersigned pointed out that the PPA/PRA Study did not address implementation details and that the Group wanted to be sure that there would be no insurmountable problems if that option or the modified PPA/PRA option were to be selected. It was pointed out, for example, the question of what number the requisitioning office would assign as the obligation reference number for computer input to the O/F accounts and against which O/F would record expenditure (i.e. O/F now identifies its payments against the contract number which is assigned by Procurement Division and which is unknown to the customer at the time the requisition is prepared). A general discussion then followed on possible solutions to this problem and to others raised by O/F representatives.

8. [] stated that these were details which could be worked out and that such considerations should not be deemed an impediment to immediate decision on the PPA/PRA Study options. I agreed with him that the cited examples were procedural details and that solutions can be reached in this area. I stated, however, that these were not the only considerations for reaching a decision. [] has consistently referred to the DCI's interest in getting customer cost information on the Agency's resources. The direct funding option appears in contradiction with this interest. I also pointed out the problems, which have to be solved, of budgeting for common stocks and possible need for development of administrative controls in lieu of PRA (monetary) controls over items such as electric typewriters. Mr. Blake must be assured that option selections will in no way jeopardize ICS, CONIF, GAS and other DD/A computer programs.

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9. [] appreciated these considerations but again indicated he had no alternative but to get an immediate decision. I suggested that he did have an alternative - that is to "punt". He could take no action toward development of the stand alone system in view of the possibility that the direct funding option would be selected and approved. If another option were approved, he could initiate action at that time toward implementation of an automated PRA system in FY 1977. This would mean continuation for one more year of the manual system which has been in existence since PPA/PRA was adopted 20 years ago. [] stated he was under pressure by operating components for automation of PRA by FY 1976 and, therefore, this alternative was completely unacceptable. He said that he is thinking of going now to O/Compt with a request for an immediate decision on the property funding option. I suggested that before he did this he might want to discuss this with Mr. Malanick and Mr. Blake. STAT

[] STAT
Chief, Budget and Fiscal Branch, EO/OL

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